

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 04 HANOI 000366

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [PREL](#) [ETRD](#) [PBTS](#) [CH](#) [VM](#) [ARF](#) [CVR](#) [ASEAN](#)

SUBJECT: NSC Senior Director Michael Green Discusses China with Senior Foreign Relations and Think Tank Officials

Reftels: A. Hanoi 247 B. 04 Hanoi 2795

1. (SBU) Summary: The complicated Vietnam-China relationship is at a relatively weak point, with the traditional friendship of the two ruling Communist Parties tested by bilateral incidents and rising distrust of China's motives in Asia, according to Vietnamese think tank and foreign policy officials. Some members of the GVN and Communist Party of Vietnam (CPV) believe that China wants peace and stability in the short term to advance its economic development goals, but has not done enough to prove its good intentions, and others believe that Vietnam has more to gain from a close relationship with the United States than with China. End Summary.

2. (SBU) Visiting NSC Senior Director for Asian Affairs Dr. Michael J. Green had lunch February 4 at the Ambassador's residence with Mr. Bui The Giang, Director, Department of People to People Relations, External Relations Commission, Communist Party of Vietnam (CPV); Dr. Do Tien Sam, Director, China Studies Institute; Mr. Nguyen Vinh Quang, Director, China and North East Asia Department, Commission for External Relations, CPV; Dr. Nguyen Thiet Son, Director, Center for North America Studies; and, Ambassador Trinh Quang Thanh, General Director, Institute for International Relations, Ministry of Foreign Affairs (MFA). The Ambassador, Poloff and A/PAO also attended. The lunch covered a range of strategic issues but focused most heavily on China and U.S.-Vietnam relations.

Communist Parties are Close; People, not so Close

3. (SBU) The China Institute's Dr. Sam started with a description of Vietnam's long and tangled history with China, and noted that the Chinese Communist Party (CCP) has "long and deep" relations with the CPV. The Vietnamese people have a somewhat more complicated relationship with China, Sam said. "In the past, when we were in a different situation, China and Vietnam provided mutual assistance. Later, we were in a period when relations did not proceed as normal, and that period reached its peak with a war. Today, we are again developing towards mutual cooperation."

4. (SBU) The most important factor in the Vietnam-China relationship, Sam said, is China's astounding economic growth. That growth is attractive to the Vietnamese people, especially to young people. The CPV's Giang, interjecting, noted that there are no surveys of public opinion of China that disaggregate data by generation, so it is difficult to prove that assertion. The CPV's Quang said he believes there is a range of views on China, but that attitudes are determined by subjective prejudice and the kind of information the people receive about China. Young Vietnamese people and old Vietnamese people harbor "prejudice and negative feelings" in equal amounts, Quang stated. Whatever the generational attitudes, Sam stipulated, the important factor is economic growth and development. "China and Vietnam are carrying out a simultaneous economic reform and development agenda," he said, "and we both need a peaceful and stable environment to carry that out." Since the 16th CCP Congress, China has been more actively engaged internationally, Sam noted. There has been a change in priorities in favor of what Sam called "neighbor countries," which do not necessarily share a border with China. The main characteristics of neighbor countries, Sam explained, are that they are politically reliable, provide a market for Chinese goods and participate in "shared security." The purpose of this policy is for China to "break through the blockade," Sam said, a desire that also motivated China's proposal to create a China-ASEAN free trade area.

Key Issue: Territorial Competition

5. (SBU) Although Vietnam is definitely included in China's list of "neighbor countries," some bilateral issues remain, Sam continued. Competition between China and Vietnam in certain areas is fierce. Territorial issues are the most visible of these, with "considerable" problems remaining that are "not easy to engage on." Many of these issues are also driven by China's economic growth, which has created a

massive demand for energy resources. "Sixty percent of China's energy needs are currently supplied from the Middle East," Sam said, "which is something the Chinese do not like. They need to diversify their energy sources and they believe the East Sea (South China Sea) is a major potential source of oil and gas." This in turn creates tensions with Vietnam, which considers the Spratly Islands region of the South China Sea to be Vietnamese territory. Vietnam is conflicted about how to handle energy exploration in the South China Sea in the absence of an agreement on who owns the resources, Sam said. China and the Philippines announced an "open agreement" on oil and gas exploration in the South China Sea and invited Vietnam to participate, an invitation that is "under consideration" by relevant line agencies in the GVN.

16. (SBU) Fishing in the Tonkin Gulf and elsewhere in the South China Sea also creates problems, Sam continued. The recent incident between Chinese Maritime Police and Vietnamese fishermen that resulted in nine deaths (Ref. A) was "regrettable" and should not be used to provoke hostility against China. Sam acknowledged the difficult history between China and Vietnam, noting that in the 2,200-year history of China-Vietnam relations, 1,200 of those years have been spent at war. Of 17 wars in the history of Vietnam, 12 were with China, "in which Vietnam was defeated twice." The result of those defeats was what the Vietnamese still refer to as "the 1,000-year domination." The point is that it is very dangerous to "provoke nationalist hostility" between China and Vietnam, Sam concluded.

17. (SBU) Giang noted sourly that Vietnam has fishing disputes with four other countries (the Philippines, Thailand, Malaysia and Indonesia), all of which were worked out peacefully without the deaths of Vietnamese fishermen. Admittedly, three of the Vietnamese boats were "doing things inappropriately," but the Chinese reaction was still excessive. Giang blamed the exacerbation of Vietnamese public hostility on overseas Vietnamese who had made a point of demanding publicly that the Vietnamese Government react to the incident and force the Chinese Government to compensate the families of the fishermen who died in the clash. "We could be working fairly and squarely with the Chinese," Giang said, "but the Viet Kieu (overseas Vietnamese) make it very difficult." The reality is that Vietnam can always increase its number of international partners, but it cannot increase its number of neighbors. Vietnam is stuck with China and had to find a way to live with China peacefully. China, Giang noted, claims it is "rising peacefully" but has not yet "earned that privilege through responsible action." The Institute for International Relations' Ambassador Thanh agreed, saying that China needs a peaceful environment in which to conduct its economic development and so should be willing to contribute to that environment.

Regional Architecture

18. (SBU) Regional architecture systems in Asia have until recently been based around ASEAN, Thanh observed, but China wants to change things so that "ASEAN is not driving." Dr. Green observed that if APEC is strong, then the East Asia Summit (EAS) will become a complementary process. Giang said this is a possibility that drives GVN thinking, as well.

19. (SBU) China plays an important role as the economic rival of Southeast Asian countries, the Ambassador observed. To avoid being overwhelmed by "the world's manufacturing platform," the countries of ASEAN should become more nimble than China, increasing intellectual property rights protection, reducing barriers to trade and improving the investment environment. In this way, ASEAN could become a place "where investment is easy." Giang noted that the consensus-driven decisionmaking process in ASEAN means that cooperation is easiest "where we have commonalities." Dr. Green noted that ASEAN's internal differences and consensus structure are weaknesses that China does not share. Giang responded that other consensus organizations, such as the Asia-Europe Meeting (ASEM) are able to accomplish a great deal. ASEM's approach to Burma's participation in the Hanoi summit last year (Ref. B) was the best example, he said. "It was a problem, but it was surmountable."

China-Vietnam-United States Triangle

10. (SBU) Dr. Green observed that there is a "feeling in Washington" that Vietnam resists developing strategic relations with the United States "out of concern for China's reaction." Not so, Giang replied quickly. "Vietnam must conduct a balancing act," he explained. "We are cautious not out of fear of destabilizing relationships, but out of fear of being misinterpreted." The Ambassador noted that the number of U.S. Navy ship visits to Vietnam is kept

artificially low "out of concern for China" and said that the United States would like to do more. Dr. Son explained that bilateral relationships with China and the United States are very important to Vietnam, and the relationship between the United States and China is also of great interest. "In Vietnam we have a saying," Dr. Son intoned, "when your friends go out together, stay back and study, and you will get better grades than either of them." The North America Studies Center's Dr. Son said he believes that China is highly motivated to maintain peaceful relations with the United States at a time when it is trying to modernize and increase development. "In our war with the French," Dr. Son said, "we were forced at one point in 1946 to accept an agreement. We signed that to give us time to increase our strength and later fought back and won." Dr. Son believes that China is doing the same with the United States, maintaining good relations no matter what during a period of relative weakness. "When the United States fired rockets at the Chinese Embassy in Serbia," Dr. Son explained, "I told my friends that there would be a strong reaction from China but that relations would improve again quickly."

Vietnam's Impression of U.S.-China Relations

11. (SBU) Dr. Son also believes that the United States has a reasonable and moderate policy towards China. "The United States helps China to modernize. You supported China's accession to the WTO. You provide good support to China's war on terrorism and praise China's willingness to cooperate on terrorism. You speak more softly to China about human rights and religious freedom than you do to Vietnam, and you do not let Taiwan interfere in U.S.-China relations," he observed. Vietnam should learn lessons from this, Dr. Son said. "ASEAN is a good organization, but it is not monolithic and even if it were, all the resources and strengths combined do not equal the United States or China. Working within APEC is slow, despite the leadership role of the United States." Vietnam should try to cooperate more with countries who are in a position to help Vietnam to develop, something China cannot do. "China does not have the technology or level of development to help Vietnam," Son said. "Only the United States does. Vietnam highly appreciates this, as well as the fact that 25 percent of Vietnamese trade turnover is with the United States. If the United States can focus its future cooperation on economic, social and security issues, it would be good," he said.

12. (SBU) After noting that the United States does not "speak more softly" to China than Vietnam about human rights and religious freedom, Dr. Green said that development changes countries and that the United States expects that China, too, will change. During that change process, the United States is committed to maintaining positive relations with China and keeping Asia strong so that China will join with Asia and not the other way around. (Note: The assembled Vietnamese guests were nodding at this point, though they did not interject. End Note.) The response to the tsunami disaster was revealing about China, Dr. Green said. The paltry Chinese offer of assistance, a mere USD 2.5 million, was a small fraction of what the Chinese could afford, but it represented the maximum amount for which the Chinese government could obtain internal consensus. "China," Green observed, "has a very large presence in Asia, but a limited amount of flexibility." Agreeing vehemently, Giang added, "China is not just one, but many countries if you consider the inconsistencies in its internal development." Green continued, "China has internal concerns about which it is very insecure, such as Tibet and Taiwan. The lesson of history is that the region needs China; but now, China truly needs the region and for that reason, Vietnam can and should approach China with confidence." To a chorus of agreement from the Vietnamese guests, Dr. Green concluded: "Despite the concerns in the Central Highlands, Vietnam's territorial integrity is quite solid. But I do not know if China can have the same confidence."

13. (SBU) Comment: Dr. Green tapped into a vein of distrust of China that was unusual both for its vehemence and for the fact that it was shared openly with Americans in front of other ranking Vietnamese officials. It appears that recent bilateral incidents have had an effect on Vietnamese attitudes. End Comment.

14. (U) Dr. Green cleared this message.

MARINE